

Testimony Before the Money Trust Investigating Committee

The following are Associated Press dispatches: Washington, D. C., Dec. 17.—William R. Hearst produced before the senate investigating committee today several new letters bearing upon the alleged political activities of John D. Archbold and the Standard Oil company.

Mr. Hearst testified that he knew nothing as to the incidents related in the letters or the circumstances under which Mr. Archbold might have sent money to former Senator Foraker of Ohio and former Representative Joseph C. Sibley of Pennsylvania, to whom some of the letters were addressed.

The publisher was the chief witness at the committee's short session today. Two of the letters he produced had been made public in 1908, he said, in a speech at Columbus, O. They were from John D. Archbold and referred to a projected loan of \$50,000 to Senator Foraker, to be repaid by instalments. Mr. Hearst told the committee he had been informed that the money was repaid.

With the testimony of Mr. Hearst and John Kennedy, the latter a witness called at the request of Senator Oliver to tell of Senator Penrose's connection with the industrial commission, the committee adjourned to meet when recalled by Chairman Clapp.

Chairman Clapp asked Mr. Hearst if he ever saw the original of the letters published in his magazine. He said he was not certain, but he believed he had only seen the photographic facsimile copies.

"Of whom did you get them?" asked Senator Clapp.

Mr. Hearst hesitated a moment.

"I am anxious," he began, "to testify very fully to everything that I am personally concerned in and everything of interest to this inquiry. Do you feel that this is essential to the inquiry?"

Senator Clapp replied that the authenticity of some of the letters had been questioned. After members of the committee had insisted upon the information, Mr. Hearst responded that he got the copies of John Eddy of London, author of four of the articles published in a magazine. He testified he did not know of whom Eddy procured the letters.

Mr. Hearst suggested Mr. Eddy probably would be willing to appear to tell how the letters were taken from the Standard Oil company's files.

Senator Pomerene asked about the suggestion that the letters were forgeries.

"I know nothing about that," said Mr. Hearst. "The explanation made in response to the forgery charge was that some of the letters published in the magazine had to be reproduced in typewriting in order to be discernible when printed."

Pressed further to tell about getting the letters, Mr. Hearst said that Mr. Eddy was in his employ as a magazine writer at the time he brought him the letters, but that Eddy had paid nothing to obtain possession of them.

MORGAN A WITNESS

J. Pierpont Morgan appeared before the money trust investigating committee December 18. The Associated Press report says: Mr. Undermeyer conducted the examination of Mr. Morgan, asking a rapid series of questions to bring out the general standing of the firm of J. P. Morgan & Co., its branch connections in this country and abroad, and its affiliation with many other financial institutions.

The preliminary examination brought out no clashes, Mr. Morgan responding promptly to the various queries or calling for data from some of the representatives of the firm which would be responsive to the questions propounded.

The chief point made in today's examination of Mr. Morgan was that he favored allowing interstate corporations to deposit their funds in the hands of private bankers without restricting them to institutions under government supervision. He said this was a matter to be left to the discretion of the boards of directors of the corporations in question. Mr. Undermeyer asked long questions developing this side, to which the financier replied briefly in the affirmative as to allowing the interstate corporations to deposit their funds with private banking institutions.

Mr. Morgan confirmed data prepared by mem-

six accounts with the Morgan firm in January last had deposits of \$68,113,000 and that seventy-eight accounts on November 1 had deposits of \$81,968,000. The total capital, surplus and funded debt of these deposits, Mr. Undermeyer stated, was \$9,765,000,000. Mr. Morgan agreed to this.

Prior to Mr. Morgan's examination the committee heard testimony bearing on the so-called concentration of money and credits.

This was presented in the form of charts prepared by Philip J. Scudder, which was placed in the records. This explanation showed that the charts dealt with the affiliation of 180 directors in eighteen banks and trust companies in New York, Chicago and Boston. It showed that "these 180 men held in all 746 directorships in 134 banks and trust companies, transportation and industrial corporations having total resources of capitalization of \$25,325,000,000. It also gave in detail affiliations of J. P. Morgan & Co. and other leading financial institutions in New York, Boston and Chicago.

When Scudder finished Mr. Underwood called out:

"Mr. Morgan, will you take the stand?"

The financier walked to the chair at the end of the committee table and was sworn by Chairman Pujo. In response to the usual qualifying questions he said he was a banker in New York city.

"Are you a member of a Philadelphia firm?" asked Mr. Undermeyer.

"Well, that's the same firm," answered Mr. Morgan. "The firm is in New York, with branches in Philadelphia, Paris and London."

"Who are the members of the firm?"

Mr. Morgan furnished the following list: J. P. Morgan, H. P. Davison, W. P. Hamilton, T. W. Lamont, H. F. Lloyd, J. P. Morgan, jr., D. A. Newbold, William H. Porter, Charles Steele, F. T. Stotesbury and Temple Bowdoin.

After Mr. Morgan had furnished his list of partners he said the same men were in all the houses.

"Only my desire to have Mr. Drexel's name in the Philadelphia house prevents all the houses having the same name," said Mr. Morgan.

"Do you do a general banking business in New York?"

"We try to."

Mr. Morgan explained that his firm did not belong to the clearing house, but cleared its own checks over its counter.

Mr. Undermeyer asked Mr. Morgan whether his house carried deposits of "interstate corporations." Mr. Morgan said he did not quite understand what the attorney meant, and Mr. Undermeyer explained.

Mr. Morgan said his firm accepted the accounts of any corporation it thought reliable.

"Have you accounts from interstate corporations?"

"With any corporation we think is good," said Morgan.

Mr. Undermeyer read into the record a statement that in January there were sixty-six accounts with the Morgan firm, with deposits of \$66,113,000, and on November 1 there were seventy accounts having on deposit \$71,968,000.

"Do you think that these great corporations that have their securities scattered broadcast ought to be permitted to make their deposits with a private banker?" asked Mr. Undermeyer.

"I do," said Mr. Morgan.

Mr. Undermeyer said he referred to no particular instance, but asked whether Mr. Morgan thought that, as a matter of public policy, corporations really owned by the public ought to be allowed to deposit with private bankers notes subject to federal inspection.

"I do," again said Mr. Morgan.

He added that the facts ought to depend on the character of the banker and the extent to which the board of directors of the corporations might formally authorize such deposits. Mr. Morgan said the question was one which he believed should be left to the board of directors.

Mr. Undermeyer asked what interstate corporations the Morgan firm acted as fiscal agents.

Mr. Morgan did not know, but he accepted a list furnished by his office to the committee. The list included the Chicago & Western Indiana railroad, the Chicago, Indianapolis & St. Louis railroad, the Pere Marquette, the New York, New Haven & Hartford and the New York Central.

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Mr. Undermeyer asked as to the terms of the agreement under which Morgan & Co. acted as financial agents. "You have the right to issue all their securities, haven't you?" asked Mr. Undermeyer.

"If we can agree on terms," replied Morgan.

Mr. Undermeyer persisted in the question as to whether the Morgan firm did not have entire control of the securities of the New York Central.

"Only if we can agree on terms," replied Morgan again.

He agreed to furnish a copy of the agreement between the New York Central and his firm.

MORGAN'S SECOND DAY

Washington, Dec. 19.—J. Pierpont Morgan today told the money trust investigation committee of the house that "all the money in Christendom and all the banks in Christendom" could not form a monopoly that would control money. Mr. Morgan disclaimed any knowledge that he wielded a vast power in modern finance and declared emphatically that he sought no such power. For nearly five hours the chief witness called by the committee in its investigation of the intricacies of modern finance stood a running fire of questions that covered every phase of financial operation. In some respects it was one of the most remarkable hearings about the halls of congress in recent years, with Mr. Morgan as the type and embodiment of physical operations on a colossal scale, and the committee's counsel, Samuel Undermeyer, the representative of the elements which seek to probe to the innermost recesses the conditions under which vast financial operations are conducted.

Mr. Morgan gave at length his views on competition, combination, co-operation and control in industry and finance, particularly the latter. He declared he "did not mind competition," but that he preferred "combination" in his operations. He was emphatic in his declaration that "there is no way one man can get a monopoly on money."

Throughout the long examination, to which Mr. Morgan submitted with an evident willingness to answer, there was not a moment when interest lagged. Short, sharp questions and answers came with striking rapidity. While the colloquys were at times emphatic there was no serious clash between Mr. Morgan and Mr. Undermeyer. Mr. Morgan gave a ready response to questions, although there was often a battle of wits as to the meaning and effect of various financial conditions and operations.

The question of competition and combination brought about a lively exchange between the noted financier and Mr. Undermeyer, the latter opening the tilt with the suggestion that Mr. Morgan was opposed to competition. The witness denied this, but said he favored "co-operation," adding that he "liked a little competition."

He disagreed with the views of Mr. Undermeyer on the question of interlocking directorates, which forms the basis for a large part of the statistical evidence that makes up the record of the money trust investigation up to date.

Without actual control Mr. Morgan claimed there is no control, although some directors may be common to several corporations.

"You and Mr. Baker (George F. Baker) dominate the anthracite coal road situation, do you not?" asked Mr. Undermeyer at one point in the examination.

"I do not think we do," said Mr. Morgan. "At least, if we do I do not know it."

"Your power in any direction is entirely unconscious to you, is it not?"

"It is, sir, if that is the case," said Mr. Morgan.

"You do not think you have any power in any department of industry in this country, do you?"

"Not the slightest."

"And you are not looking for any?"

"I am not seeking it, either."

"This consolidation and amalgamation of systems and industries and banks does not look to any concentration, does it?" asked Mr. Undermeyer, with a smile.

"No, sir," answered the witness.

"It is for the purpose of concentrating the interests that you do not amalgamate, is it not?"

"It is. If it is good business for the interests of the country to do it, I do it."

"But, Mr. Morgan, is not a man likely," asked the lawyer, "quite subconsciously to imagine that things are for the interests of the country when they are for good business?"

"No, sir."

"You think that you are able to justly and im-